

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



中國包裝集團有限公司
China Packaging Group Company Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 572)

PROPOSED REMOVAL OF DIRECTORS

Reference is made to the announcements of China Packaging Group Company Limited (the “**Company**”) dated 8 December 2013, 20 January 2014, 28 January 2014, 10 March 2014, 25 March 2014, 22 April 2014, 5 May 2014, 15 May 2014, 16 June 2014, 19 June 2014, 20 June 2014, 27 June 2014 and 3 September 2014 (the “**Announcements**”) in relation to, amongst other matters, the suspension of the positions, functions and duties of Mr. He Jianhong (“**Mr. He**”); and the suspension of the positions, functions and duties of Mr. Zhang Zhantao (“**Mr. Zhang**”).

Capitalized terms used in this announcement shall have the same meaning defined in the Announcements, unless herein defined otherwise.

PROPOSED REMOVAL OF DIRECTORS

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform shareholders and potential investors of the Company that the Board (save and except Mr. He and Mr. Zhang) is of the view that, due to the reasons below, it will be in the best interests of the Company and its shareholders as a whole to remove Mr. He and Mr. Zhang from the office of Directors in accordance with its Articles of Association (the “**Articles**”) (the “**Removal of Directors**”).

Reasons for removing Mr. He and Mr. Zhang

Mr. He is an executive Director and the Chairman of the Board whose positions, functions and duties have been suspended from 27 January 2014. Mr. He has been absent without cause since November 2013.

Mr. Zhang is an executive Director of the Company whose positions, functions and duties have been suspended from 6 March 2014.

Subsequent to Mr. He's absence, the Company received demand for repayment under the Alleged Guarantee in late November 2013. This was followed by a claim for approximately RMB644 million under the Alleged Guarantee in January 2014. For details of the Alleged Guarantee please refer to the Company's announcements dated 8 December 2013 and 20 January 2014.

The Company later discovered in March 2014 that the Company (through its wholly-owned subsidiary) has entered into the Sales Contracts and despite part payments by the Company in the total sum of HK\$17,615,500.00, the supplier had failed to deliver the raw materials. Due to Mr. Zhang's involvement in the Sales Contracts, the Company received a letter from Mr. Zhang on 7 March 2014, in which he, on his own accord, tendered to the Company a request for suspension of his position, functions and duties from 6 March 2014. For details, please refer to the Company's announcement dated 10 March 2014.

At all material times, Mr. He and Mr. Zhang were the only two executive Directors of the Company when Mr. He allegedly entered into the Alleged Guarantee on behalf of the Company and Mr. Zhang allegedly entered into Sales Contracts on behalf of the wholly-owned subsidiary of the Company.

In addition, due to the continued absence of Mr. He, the current management of the Company was unable to contact with and thereby lost control of the Company's indirect wholly owned subsidiary, Shanxi Zhanpen Metal Products Co., Ltd.* (山西展鵬金屬製品有限公司) ("**Zhanpen**"), and Bloxworth Enterprise Limited, being an intermediate holding company of Zhanpen and a direct wholly owned subsidiary of the Company. For details, please refer to the Company's announcement dated 25 March 2014.

As a result of the loss of control of its subsidiaries, and the increase in legal expenses incurred in relation to the Alleged Guarantee and Sales Contracts, the Company resolved to raise much needed funds through the Open Offer. For details of the Open Offer, please refer to the Company's announcements dated 22 April 2014 and 16 June 2014, and the relevant prospectus of the Company dated 26 May 2014.

Able Success, a company wholly-owned by Mr. He and the then controlling shareholder of the Company, commenced legal proceedings against the Company and five of its Directors and applied to the High Court of Hong Kong (the "High Court") for an injunction against the Open Offer. The said application was refused and the action was dismissed by the High Court on 15 May 2014. Able Success was ordered to pay the Company's legal costs in defending the aforesaid proceedings, such costs remain outstanding as at the date of this announcement. Able Success commenced another legal proceedings against the Company and five of its Directors after the completion of the Open Offer. This action was again dismissed by the High Court on 3 September 2014. For details of the abovementioned legal proceedings please refer to the Company's announcements dated 5 May 2014, 15 May 2014, 19 June 2014, 20 June 2014, 27 June 2014 and 3 September 2014.

Given the above, the Board (save and except Mr. He and Mr. Zhang) is of the view that Mr. He and Mr. Zhang are no longer suitable to serve as Directors of the Company and it would be in the best interests of the Company and its shareholders to remove Mr. He and Mr. Zhang from office.

Pursuant to Article 114 of the Articles, the Company may by ordinary resolution remove any Director before the expiration of his period of office. As such, the Company will convene an extraordinary general meeting for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions of the Company:

- (1) "THAT pursuant to Article 114 of the articles of association of the Company, Mr. He Jianhong be removed from his office of director of the Company;" and
- (2) "THAT pursuant to Article 114 of the articles of association of the Company, Mr. Zhang Zhantao be removed from his office of director of the Company.

The Company will convene the necessary extraordinary general meeting(s) in accordance with the requirements under the Articles.

A circular containing further details of the proposed Removal of Directors and a notice convening the extraordinary general meeting will be despatched to the shareholders of the Company as soon as practicable.

The content of this announcement was approved by all directors of the Company save and except Mr. He and Mr. Zhang.

* *For illustrative purpose only*

By order of the Board
China Packaging Group Company Limited
Lau Cheuk Pun
Company Secretary

Hong Kong, 17 September 2014

As at the date of this announcement, the Board comprises (i) four executive Directors, namely Mr. He Jianhong (position, functions and duties suspended from 27 January 2014), Mr. Zhang Zhantao (position, functions and duties suspended from 6 March 2014), Mr. Siu Yun Fat and Mr. Lau Fai Lawrence; and (ii) three independent non-executive Directors, namely Mr. Siu Siu Ling, Robert, Mr. Tam Tak Wah and Mr. Chan Yee Por, Simon.